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August 1, 2003

The Honorable Marvin J. Garbis
United States District Judge
United States District Court for
the District of Maryland
United States Courthouse
101 W. Lombard Street, Room 5C
Baltimore, Maryland 21201

Re: Baron Financial Corporation v. ERN, LLC
Case No.: MJG 03CV 168

Dear Judge Garbis:

Please allow this letter to serve as Defendant ERN, LLC's status report in the above-referenced case.

This is an action by Plaintiff Baron Financial corporation to collect payments from ERN, LLC allegedly due and owing under the terms of an agreement between the parties that settled a prior case which proceeded before Your Honor. ERN asserted several counterclaims, all of which were subsequently dismissed without prejudice. Discovery as to the remaining issue in the case - whether the payments claimed are indeed owed - has been completed.

Both parties anticipate filing dispositive motions because it appears that the case may turn on this Court's interpretation of its ruling in the prior action. Should the Court have any questions or concerns regarding the case or the status report, I will promptly address them.

Respectfully,

Eric R. Harlan

ERH:mst
Enclosure

cc: David B. Goldstein, Esquire (via Electronic Filing)
Brooke Schumm, III, Esquire (via Electronic Filing)